

ST. TAMMANY COUNCIL ON THE AGING, INC.

**Financial Statements as of June 30, 2013
and for the Year Then Ended
and Independent Auditors' Report
and Supplementary Information**

ST. TAMMANY COUNCIL ON THE AGING, INC.

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Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

Members of the Board of Directors of
St. Tammany Council on the Aging, Inc.
Covington, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Council on the Aging, Inc. (the Council) as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the Council's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Council on the Aging, Inc, as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 12 and 40 through 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Council's basic financial statements. The accompanying combining schedule of revenues, expenditures, and changes in fund balance – non-major governmental funds and the comparative schedule of capital assets and changes in capital assets are presented for purposes of additional analysis as required by the Governor's Office of Elderly Affairs and are not a required part of the basic financial statements.

The combining schedule of revenues, expenditures, and changes in fund balance – non-major governmental funds and the comparative schedule of capital assets and changes in capital assets are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Silva Gurtner & Albney, LLC

Mandeville, Louisiana
December 18, 2013

**ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The Management's Discussion and Analysis of St. Tammany Council on the Aging, Inc. (the Council), presents a narrative overview of the financial performance and activities of the Council for the year ended June 30, 2013. This document focuses on the current year's activities, resulting changes, and currently known facts. Also, this document should be read in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- The Council showed an increase in overall net position of \$118,565 or 4%.
- Net capital assets of the Council increased by \$5,357 or 1%.
- The Council's fund revenues increased by \$23,586 or 1%.
- The Council's fund expenditures increased by \$498,125 or 23%.
- The unassigned fund balance for the Council's general fund was \$2,489,001 at June 30, 2013, which is a \$314,193 or 11% decrease from the prior year.
- No deficit fund balances existed as of June 30, 2013.
- At June 30, 2013 the Council's special revenue fund for utility assistance had a fund balance of \$7,890.
- The Council made \$400,877 in principal repayments during the year.

HOW TO USE THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the Council as a whole and present a long-term view of the Council's finances. Fund financial statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report the Council's operations in more detail than the government-wide financial statements by providing information about the Council's most significant funds.

The Council's auditor has provided assurance in the independent auditors' report, located immediately before this management's discussion and analysis, that the basic financial statements are fairly stated. The auditor also provides in the report assurance about the supplementary financial information required by GASB Codification and the Governor's Office of Elderly Affairs that follow later in this reporting package. A user of this document should read the independent auditors' report carefully to ascertain the level of assurance being provided for each part of the report.

REPORTING ON THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE STATEMENTS

Management's analysis of the Council as a whole begins on page 14. An important point to consider is whether the Council's finances, as a whole, are better or worse as a result of this year's activities. The statement of net position and the statement of activities (referred to, collectively, as the government-wide financial statements) report information about the Council as a whole. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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The government-wide financial statements report the Council's net position and changes in net position. As of June 30, 2013, \$7,890 of the net position are restricted, which means they can only be used for a specific purpose, whereas \$2,511,699 of the net position are unrestricted, meaning they can be used for any program at management's discretion along with Board approval. Approximately \$700,000 of the unrestricted net position has been designated as a working capital reserve, the purpose of which is to have available resources to systematically phase out programs in the event of funding cancellation or delay by either legislative action or policy changes. It is important for the Council to have unrestricted net position in order to have resources available to respond to reductions in funding, emergencies, or program terminations. Additionally, the Council has \$855,218 invested in capital assets, net of related debt, giving it \$3,374,807 in total net position. The statement of net position is designed to present the financial position of the Council as of year-end. Over time, increases or decreases in the Council's net position are one indicator of whether its financial position is improving or deteriorating. However, to assess the overall financial position of the Council, the reader must consider other non-financial factors, such as the condition of the Council's capital assets and facilities, the addition or termination of grants and other revenue sources, and the expansion or contraction of programs and services.

The statement of activities provides information that shows how the Council's net position changed as a result of this year's activities. All of the Council's significant activities are reported in the statement of activities, including an administration function and a health, welfare, and social services function. The health, welfare, and social services function is comprised of seven primary programs that include supportive social services, nutritional services, disease prevention and health promotion, family caregiver support, senior citizen center operations, Senior Olympics, and Resource Festival. Subprogram activities are also presented to facilitate additional analysis. All activities of the Council are considered to be governmental activities. A governmental activity is usually one where the Council uses money it receives from property taxes, governmental grants and contracts, along with donations from the general public, to provide services at little or no charge to the general public, or a segment of the general public, such as the elderly. If the Council charged fees with the intention of making a profit or recovering the full cost of providing the service, that activity would be classified as a business-type activity.

The Council does not have any business-type activities nor did it directly charge a fee to any eligible person receiving any registered service during the year. However, to help offset the costs of providing its services, the Council charged \$875 for transportation services. In addition, the Council held a major event, the Senior Olympics, in which participation required a fee. The Council received \$3,209 in entry fees and the money was used to offset the costs of holding the event. The Council also held a Resource Festival and charged a booth fee of \$250 to each company wanting to participate in the festival. A total of \$12,416 in booth fees was collected. Finally, the Council rented Hadden Hall for \$2,800 to other organizations to hold activities in the senior center.

REPORTING THE COUNCIL'S MOST SIGNIFICANT FUNDS USING FUND FINANCIAL STATEMENTS

The fund financial statements provide detailed information about the Council's most significant funds, not the Council as a whole entity. In the fund financial statements, there are column presentations for a general fund, three special revenue funds that have been determined to be major funds, and a column for the total of all remaining special revenue funds, which are deemed to be non-major funds.

**ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

The general fund is used to account for all financial resources except those required to be accounted for in another fund. The special revenue funds account for the proceeds of specific revenue sources which are legally restricted to expenditures for specified purposes. By using separate funds to track revenues and expenditures, management can control funds for particular purposes or show that the fund is meeting legal responsibilities for using certain grants and other revenues.

The general fund and special revenue funds are considered governmental funds. Governmental funds focus on how money flows into and out of funds and the balances left as of June 30, 2013 that are available for spending. These funds are reported using an accounting method called the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the Council's general government operations and the basic services it provides. Governmental fund information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future for Council programs. The difference between net position of governmental activities and fund balances of the governmental funds is reconciled at the bottom of the fund balance sheets. In addition, the difference between the change in fund balances for the governmental funds and the change in net position for the governmental activities has been reconciled on a separate page that follows the statement of revenues, expenditures, and changes in fund balances - governmental funds. These two reconciliations will facilitate the comparison between governmental activities and funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 20 to 38 and should be read before making assumptions or drawing conclusions about the Council's financial condition.

SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GASB CODIFICATION

The Governmental Accounting Standards Board Codification (GASB Codification) requires budgetary comparison schedules for the general fund and each major special revenue fund that has an adopted annual budget. The schedules compare the original and final budgets to actual budget results for the Council's fiscal year. Positive and negative variances between the final budget and actual amounts are also presented.

Major funds are those funds whose revenues, expenditures, assets, or liabilities are at least 10% of corresponding totals for all governmental funds. In addition, a major fund could be a fund that does not meet these criteria but which is believed to be important to present to the Council's financial statement users. Management did not consider any fund that did not meet the 10% quantitative criteria to be a major fund this year.

Management's discussion and analysis (MD&A) is also required supplementary information (RSI) by GASB Codification. However, GASB Codification requires the MD&A be presented as the first item in this reporting package and not with the other RSI, which is included later in this reporting package.

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FOR THE YEAR ENDED JUNE 30, 2013**

OTHER SUPPLEMENTARY FINANCIAL INFORMATION REQUIRED BY GOEA

The Governor's Office of Elderly Affairs (GOEA) has required the Council to present, as schedules, the information on pages 46 and 47. This information will be used by GOEA to verify the accuracy of information submitted by the Council during the year to help GOEA monitor certain compliance requirements set forth in the grants it has with the Council.

AN ANALYSIS OF THE COUNCIL AS A WHOLE USING GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following amounts reflect condensed information on the Council's net position:

	2013	2012	Change in Dollar	Change in Percent
Current assets	\$ 2,645,798	\$ 2,944,729	\$(298,931)	-10.0%
Capital assets, net of depreciation	855,218	849,861	5,357	0.6%
Total assets	3,501,016	3,794,590	(293,574)	-7.7 %
Current liabilities	126,209	137,471	(11,262)	-8.2%
Notes payable	-	400,877	(400,877)	-100.0%
Total liabilities	126,209	538,348	(412,139)	-76.6%
Net position				
Invested in capital assets	855,218	448,984	406,234	90.5%
Restricted	7,890	8,198	(308)	-3.8%
Unrestricted	2,511,699	2,799,060	(287,361)	-10.3%
Total net position	\$ 3,374,807	\$ 3,256,242	\$ 118,565	3.6%

As of June 30, 2013, the Council as a whole had assets greater than its liabilities of \$3,374,807 whereas at the end of last year the Council's net position were \$3,256,242. About 75% and 85% of the Council's total net position are unrestricted as of June 30, 2013 and 2012, respectively. Unrestricted net position is important because it provides the financial resources management will need to adapt to changes in the economy, emergencies, unanticipated service needs, and a reduction in or termination of grant revenues by government agencies.

The Council's restricted net position represent about 0.2% (0.3% for 2012) of the Council's total net position as of June 30, 2013. Net position are reported as restricted when the constraints placed upon the assets' use are either (a) externally imposed by a grantor, contributor, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

The net positions invested in capital assets are presented net of any related outstanding debt to acquire them. For the year presented, there is no debt subtracted from the capital asset amount due to notes payable.

Current liabilities consisted primarily of accounts payable to vendors totaling \$108,725 (\$100,914 in fiscal year ended 2012) and accrued payroll and related liabilities that are due in the normal course of operations totaling \$9,177 (\$34,073 in fiscal year ended 2012). Also, included is \$8,307 (\$8,308 for the

**ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
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fiscal year ended 2012) for compensated absences that represent the Council's aggregate liability for unpaid vacation leave that its employees had earned, but not taken, as of June 30, 2013.

The table below illustrates the revenues and expenses that produced the increase in net position for the fiscal year.

Revenues	2013	% of Total	2012	% of Total
Program revenues:				
Operating grants and contributions	\$ 1,048,083	41.7%	\$ 1,086,046	42.8%
Charges for services	16,500	0.7%	13,114	0.5%
General revenues:				
Property taxes	1,305,411	52.0%	1,303,211	51.4%
Unrestricted grants and contributions	104,965	4.2%	97,211	3.8%
State revenue sharing	-	0.0%	11,360	0.4%
Interest income	4,365	0.2%	4,075	0.2%
Other general revenues	31,666	1.3%	21,739	0.9%
Total revenues	<u>2,510,990</u>	<u>100.0%</u>	<u>2,536,756</u>	<u>100.0%</u>
Program expenses of the health, Welfare, and social services functions:				
Supportive services:				
Transportation of the elderly	725,832	30.3%	686,805	32.5%
Other supportive services	200,666	8.4%	224,886	10.7%
Nutrition services:				
Congregate meals	399,732	16.7%	305,385	14.5%
Home-delivered meals	486,677	20.3%	511,369	24.2%
Disease prevention and health promotion	36,864	1.5%	46,987	2.2%
Family caregiver support	124,285	5.2%	126,718	6.0%
Alzheimer's caregiver assistance	-	0.0%	10,453	0.0%
Senior center operations	339,629	14.2%	245,171	11.6%
Senior olympics	3,100	0.1%	5,344	0.3%
Resource festival	2,272	0.1%	10,137	0.5%
Administrative expenses	73,368	3.1%	(62,459)	-3.0%
Total expenses	<u>2,392,425</u>	<u>100.0%</u>	<u>2,110,796</u>	<u>100.0%</u>
Change in net assets	118,565		425,960	
Net assets - Beginning of the year	<u>3,256,242</u>		<u>2,830,282</u>	
Net assets - End of the year	<u>\$ 3,374,807</u>		<u>\$ 3,256,242</u>	

The table above presents, in a more summarized version, the revenues and expenses of the Council's governmental activities for fiscal years ending 2013 and 2012.

The majority of the Council's activities are funded by a local property tax and federal and state grants.

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One of the Council's largest sources of revenues in both years was from a local property tax. The gross proceeds of the property tax were \$1,341,884 for this year compared to \$1,345,656 for last year. The St. Tammany Parish Sheriff withheld \$36,473 and \$42,445 in fiscal year ended 2013 and 2012, respectively, of the gross proceeds to pay for the Council's pro-rata share of parish-wide expenses, which resulted in the Council receiving net property tax proceeds of \$1,305,411 and \$1,303,211 for fiscal year ending 2013 and 2012, respectively. In the statement of activities, the net proceeds of the property taxes has been presented as general revenues because this money can be used to benefit any of the Council's programs. Further, management has elected to offset the gross property tax amount with the amount kept by the Sheriff rather than add it to the Council's administrative expenses because it is in substance not an administrative expense of the Council. The net proceeds of the property tax represent 52% (51% for the fiscal year ended 2012) of the Council's total governmental activity revenue this year.

Program revenues, which are comprised mainly of government grants and restricted public support, amounted to \$1,048,083 this year (\$1,086,046 last year), or about 42% this year (43% last year) of the Council's total governmental activity revenues. These revenues must be used for the purposes for which they were given or granted to the Council.

The Council also received \$104,965 (\$97,211 last year) of unrestricted public support and grants, which was available for management to use at its discretion. This type of revenue comprised about 4.3% of the Council's revenues in 2013 versus 3.8% last year.

The expenses in the table above have been presented by primary programs, with some details about significant subprograms. In presenting this information, only direct program expenses are shown. The administrative expenses include all administrative expenses of the Council before any allocations were made to the various programs. Percentages have been presented for the expenses associated with each program for ease of analysis and to illustrate where the Council has spent its money this year. The expense allocations are a good indication of the demand for each type of service.

The Council had a \$118,565 increase (\$425,960 increase last year) in its net position for the year. This is a change of \$307,395 between fiscal year 2013 and fiscal year 2012.

AN ANALYSIS OF GOVERNMENTAL ACTIVITIES

When reviewing the government-wide statement of activities, there are relationships that are important to the understanding of the Council's operations. As you can see, the Council's largest activities are transportation and nutrition services. The Council's main focus is to meet the needs of the elderly citizens of St. Tammany Parish and right now these two services are in the greatest demand. However, there is a growing demand for in-home type services and services geared to help individuals stay in their homes and remain in the community. These in-home services include homemaker, Alzheimer's caregiver assistance, and family caregiver type services. The Council's management has identified caregiver services as a priority and plans to adjust its budget to reallocate available resources to meet the demands of this program and other in-home programs.

**ST. TAMMANY COUNCIL ON THE AGING, INC.
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Another area of interest on the statement of activities relates to the total column wherein the Council illustrates that virtually all of the governmental activities have more expenses than revenues. In other words, they are not self-supporting. Management's ability to provide these governmental activities is heavily dependent upon general revenues, particularly the local property tax. This financial relationship is expected and budgets are prepared accordingly. Traditionally, general revenues are used to cover the excess of expenses over revenues in these activities. Without the property tax revenue and the unrestricted grants and contributions, management would have a difficult time providing services at current levels.

Further, the general nature of these revenues allows management discretion as to how to apply them in paying for the Council's current services, as well as reallocating them to meet future demands.

Another indication of how money is used efficiently can be analyzed by comparing the amount of administration costs from year to year, as well as calculating the percentage administration expenses bears in relation to total expenses. For 2013, total administration expenses were \$690,096 (\$486,140 for the fiscal year ended 2012), or 28.7% of total current year expenses (23.0% last year). Administration expenses include indirect type costs, meaning these are costs not specifically identified with a particular program, but benefit all programs.

AN ANALYSIS OF THE COUNCIL'S FUNDS USING GOVERNMENTAL FUND FINANCIAL STATEMENTS

Fund Balances

The Council showed a combined governmental fund balance of \$2,527,896 (as shown on the fund balance sheets on page 17) at the end of this year, which is a decrease of \$287,670 from the prior year's combined fund balance of \$2,815,566. The general fund decreased by \$287,362 this year, and the combined fund balances of the special revenue funds decreased by \$308.

Revenues

The combined fund revenues increased \$23,586 this year, as shown in the table below.

	2013	2012	Change in Dollar	Change in Percent
Property taxes	\$1,341,884	\$1,345,656	\$ (3,772)	-0.3%
Intergovernmental	959,989	906,394	53,595	5.9%
Public support	45,891	85,731	(39,840)	-46.5%
Interest income	4,365	4,075	290	7.1%
Program service fees	4,084	2,014	2,070	100.8%
Special events and fundraising	12,416	11,100	1,316	11.9%
Miscellaneous	31,666	21,739	9,927	45.7%
Total revenues	\$2,400,295	\$2,376,709	\$ 23,586	1.0%

The most significant increase in revenues was intergovernmental which increased approximately \$53,595 or 5.9%. Intergovernmental increased due to an increase in grants received from the Governor's Office of Elderly Affairs.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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All other revenue categories did not increase or decrease significantly from last year. Accordingly, management has not provided any discussion.

Expenditures

Total combined fund expenditures increased by \$498,125 this year, as shown in the table below.

	2013	2012	Change in Dollar	Change in Percent
Personnel	\$ 734,290	\$ 701,253	\$ 30,037	4.7%
Fringe	167,645	163,358	4,287	2.6%
Travel	18,988	9,054	9,934	109.7%
Operating services	413,352	357,803	55,549	15.5%
Operating supplies	145,114	151,147	(6,033)	-4.0%
Other costs	38,150	29,412	8,738	29.7%
Full service contracts	127,950	127,598	352	0.3%
Meals	411,227	433,420	(22,193)	-5.1%
Utility assistance	7,784	9,192	(1,408)	-15.3%
Caregiver program	96,243	87,247	8,996	10.3%
Special events and fundraising	3,450	7,850	(4,400)	-56.0%
Other expenses	52,086	-	52,086	100.0%
Debt service	418,238	59,862	358,376	598.7%
Capital outlay	16,975	10,199	6,776	66.4%
Intergovernmental	36,473	42,445	(5,972)	-14.1%
Total expenditures	\$ 2,687,965	\$ 2,189,840	\$ 498,125	22.8%

Operating services increased by \$55,549 due to a new center being opened in Slidell totaling 10,000 square feet. There was also an insurance rate increase in 2013.

Other expenses increased by \$52,086 due to a FEMA grant being repaid back to FEMA. The stipulations on the FEMA funds caused the board to opt out of using the funds and they were returned.

Debt service increased by \$358,376 due the payoff of the building note in May 2013.

All other expenditures did not increase or decrease significantly from last year. Accordingly, management has not provided any discussion.

AN ANALYSIS OF THE GENERAL FUND BUDGET

A schedule of the budget for the general fund can be found in the supplementary financial information required by GASB Codification section of this report on page 40.

Management predicted the Council would operate this year at a breakeven level. However, when comparing the final budget to actual amounts for the general fund, the reader will note the Council had a net favorable variance of \$166,850. This net favorable variance can be attributed primarily to additional GOEA and property tax funds that were not budgeted as well as capital outlay expenses that were budgeted but not purchased during the year.

**ST. TAMMANY COUNCIL ON THE AGING, INC.
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FOR THE YEAR ENDED JUNE 30, 2013**

The explanations above account for the most significant variances for the general fund's budget. The remaining variances within the General Fund are within the expectations of management.

AN ANALYSIS OF CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2013, the Council had \$855,218 in capital assets net of accumulated depreciation. This amount is a net increase over last year of \$5,357.

Capital Assets, Net of Depreciation			
	2013	2012	Change
Building	\$ 505,803	\$ 527,101	\$ (21,298)
Vehicles	308,377	285,324	23,053
Office furniture and equipment	14,397	18,712	(4,315)
Computer equipment	2,629	9,628	(6,999)
Nutrition equipment	19,869	4,198	15,671
Leasehold improvement	4,143	4,898	(755)
Total assets, net of depreciation	<u>\$ 855,218</u>	<u>\$ 849,861</u>	<u>\$ 5,357</u>

During fiscal year 2013, the Council acquired four vans through an in-kind donation with a total cost of \$147,167. Steam tables were also purchased for a total cost of \$16,975. In fiscal year 2013, no assets were disposed of. Depreciation expense for the year was \$158,784 and as of June 30, 2013 the total accumulated depreciation was \$829,819.

As of May 24, 2013, the Council paid in full the note balance of \$400,877 related to the purchase of the new building in fiscal year 2007.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Council receives most of its funding from federal and state agencies. Because of this, the source of income for the Council is rather steady. However, some of the Council's grants and contracts are contingent upon the level of services provided by the Council, and therefore, revenues may vary from year to year.

In setting its budget for fiscal year 2014, it was important to management that at least the same level of service be delivered to clients and the public as were provided in fiscal year 2013. All the Council's grants and contracts from the usual federal and state agencies have been approved for fiscal year 2014. There have been no significant changes to the funding levels or terms of the grants and contracts. Management has budgeted \$2,545,181 of revenues and expenditures for the Council's programs in fiscal year 2014. The Governor's Office of Elderly Affairs (GOEA) has approved the Council's initial budget for fiscal year 2014.

The Council also receives a significant amount of revenue from a property tax and, based on current information available, it appears that the Council will continue to receive at least the same amount of property taxes in 2014 as it did in 2013. In the event property values are adjusted downward producing a

**ST. TAMMANY COUNCIL ON THE AGING, INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

decline in property tax revenues, management believes it has sufficient unrestricted and unreserved funds available to absorb the impact and not have to cut services to its clients.

Most of the property tax revenue that is expected to be received in fiscal year 2014 will not be received until between February and March of 2014. Since the timing of the receipt of these funds is in the latter part of the fiscal year, the Council maintains significant cash balances at fiscal year-end in order to maintain continuity of operations in the next fiscal year until the next property tax payments are received.

CONTACTING THE COUNCIL'S MANAGEMENT

Our financial report is designed to provide government agencies and the general public an overview of the Council's finances and to demonstrate accountability for the money that it receives. If you have any questions about this report or wish to ask for more information, you should contact Mary Toti, Executive Director, P.O. Box 171, Covington, Louisiana, 70434 (72060 Ramos Avenue, Covington, Louisiana, 70433); (985) 892-0377; coast@coastseniors.org.

GOVERNMENT – WIDE FINANCIAL STATEMENTS

ST. TAMMANY COUNCIL ON THE AGING, INC.
STATEMENT OF NET POSITION
AS OF JUNE 30, 2013

ASSETS

Cash and cash equivalents	\$ 2,594,748
Restricted cash and cash equivalents	7,890
Receivables	12,155
Prepaid insurance	31,005
Capital assets, net of accumulated depreciation	<u>855,218</u>

TOTAL ASSETS **3,501,016**

LIABILITIES

Accounts payable to various vendors	108,725
Accrued payroll and related liabilities	9,177
Compensated absences - unpaid accumulated vacation leave	<u>8,307</u>

TOTAL LIABILITIES **126,209**

COMMITMENTS AND CONTINGENCIES (Notes M, N, and Q)

NET POSITION

Invested in capital assets, net of related debt	855,218
Restricted for	
Utility assistance	7,890
Unrestricted	<u>2,511,699</u>

TOTAL NET POSITION **\$ 3,374,807**

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Function/Programs	Direct Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Change in Net position
				Operating Grants and Contributions	Total Governmental Activities	
Governmental Activities						
Health, welfare and social services						
Supportive social services						
Transportation	\$ 560,858	\$ 164,974	\$ 875	\$ 275,105	\$ (449,852)	
Homemaker	83,636	-	-	24,379	(59,257)	
Legal	13,025	-	-	3,797	(9,228)	
Information and assistance	32,608	12,371	-	9,505	(35,474)	
Outreach	5,072	1,924	-	1,478	(5,518)	
Recreation	18,636	7,070	-	5,432	(20,274)	
Medic alert	11,293	875	-	3,292	(8,876)	
Other services	8,846	1,750	-	2,578	(8,018)	
Utility assistance	2,687	875	-	7,476	3,914	
Nutritional services						
Congregate meals	205,380	194,352	-	204,580	(195,152)	
Home delivered meals	367,082	119,595	-	150,569	(336,108)	
Disease prevention and health promotion	27,805	9,059	-	6,570	(30,294)	
Family caregiver support	117,394	6,891	-	49,631	(74,654)	
Senior citizen center operations	242,637	96,992	-	239,770	(99,859)	
Senior Olympics	3,100	-	3,209	500	609	
Resource Festival	2,272	-	12,416	-	10,144	
Administration	690,096	(616,728)	-	63,423	(9,945)	
<hr/>						
Total governmental activities	\$2,392,427	\$ -	\$ 16,500	\$ 1,048,085	(1,327,842)	
<hr/>						
General Revenues						
Grants and contributions not restricted to specific programs				\$ 104,965		
Property taxes, net of \$36,473 retained by the Parish				1,305,411		
Miscellaneous income				31,666		
Interest income				4,365		
Total general revenues					1,446,407	
<hr/>						
Change in net position					118,565	
Net position – Beginning of the year					3,256,242	
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Net position – End of the year					\$ 3,374,807	

See independent auditors' report and accompanying notes to financial statements.

**FUND FINANCIAL STATEMENTS –
GOVERNMENTAL FUNDS**

ST. TAMMANY COUNCIL ON THE AGING, INC.
FUND BALANCE SHEETS
AS OF JUNE 30, 2013

	General Fund	Title III B	Title III C-1	Title III C-2	Non- Major Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,486,023	\$ 26,197	\$ 23,390	\$ 30,199	\$ 36,829	\$ 2,602,638
Receivables						
Other	12,155	-	-	-	-	12,155
Prepaid expenditures	31,005	-	-	-	-	31,005
TOTAL ASSETS	\$ 2,529,183	\$ 26,197	\$ 23,390	\$ 30,199	\$ 36,829	\$ 2,645,798
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable to various vendors	\$ -	\$ 26,197	\$ 23,390	\$ 30,199	\$ 28,939	\$ 108,725
Accrued payroll and related liabilities	9,177	-	-	-	-	9,177
Total liabilities	9,177	26,197	23,390	30,199	28,939	117,902
Fund balances						
Nonspendable						
Prepaid expenditures	31,005	-	-	-	-	31,005
Restricted for utility assistance	-	-	-	-	7,890	7,890
Unassigned	2,489,002	-	-	-	-	2,489,002
Total fund balances	2,520,007	-	-	-	7,890	2,527,897
TOTAL LIABILITIES AND FUND BALANCE	\$ 2,529,184	\$ 26,197	\$ 23,390	\$ 30,199	\$ 36,829	
Amounts reported for governmental activities in the statement of net position are different because:						
- Compensated absences are not paid for out of current financial resources and therefore are not reported as liabilities in the governmental funds						(8,307)
- Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds						855,218
NET POSITION OF GOVERNMENTAL ACTIVITIES						\$ 3,374,808

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	General Fund	Title III B	Title III C-1	Title III C-2	Nonmajor Funds	Total Governmental Funds
REVENUES						
Intergovernmental						
Governor's Office of Elderly Affairs (GOEA)						
- primary grants	\$ 100,000	\$ 177,211	\$ 126,596	\$ 126,661	\$ 350,682	\$ 881,150
GOEA - NSIP grant	-	-	57,552	21,287	-	78,839
Property taxes	1,341,884	-	-	-	-	1,341,884
Client contributions for specific services	-	1,185	20,432	2,621	-	24,238
Sponsorships/donations for Senior Olympics	500	-	-	-	-	500
Utility companies for utility assistance	-	-	-	-	7,476	7,476
General public donations	4,965	-	-	-	-	4,965
Transportation	875	-	-	-	-	875
Entry fees for Senior Olympics	3,209	-	-	-	-	3,209
Interest income	4,365	-	-	-	-	4,365
Reimbursement for Gustav Vehicle	8,712	-	-	-	-	8,712
Special events and fundraising	12,416	-	-	-	-	12,416
Miscellaneous income	31,666	-	-	-	-	31,666
TOTAL REVENUES	1,508,592	178,396	204,580	150,569	358,158	2,400,295
EXPENDITURES						
Health, welfare, and social services						
Current						
Personnel	-	391,127	63,779	100,031	179,353	734,290
Fringe	3,566	81,510	16,251	23,512	42,806	167,645
Travel	29	1,913	2,407	7,254	7,385	18,988
Operating services	1,646	192,737	26,348	72,016	120,605	413,352
Operating supplies	9,778	91,031	2,612	17,937	23,756	145,114
Other costs	1	14,215	4,979	8,956	9,999	38,150
Full service contracts	-	127,950	-	-	-	127,950
Meals	-	-	154,210	257,017	-	411,227
Utility assistance	-	-	-	-	7,784	7,784
Caregiver program	-	-	-	-	96,243	96,243
Special events and fundraising	3,450	-	-	-	-	3,450
Other expenses	52,086	-	-	-	-	52,086
Debt service						
Principal retirement	400,877	-	-	-	-	400,877
Interest and bank charges	17,361	-	-	-	-	17,361
Capital outlay	16,975	-	-	-	-	16,975
Intergovernmental	36,473	-	-	-	-	36,473
TOTAL EXPENDITURES	542,242	900,483	270,586	486,723	487,930	2,687,964
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	966,350	(722,087)	(66,006)	(336,154)	(129,772)	(287,669)
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	722,087	66,006	336,154	135,299	1,259,546
Operating transfers out	(1,253,711)	-	-	-	(5,835)	(1,259,546)
NET CHANGE IN FUND BALANCE	(287,361)	-	-	-	(308)	(287,669)
FUND BALANCE						
Beginning of year	2,807,368	-	-	-	8,198	2,815,566
End of year	\$ 2,520,007	\$ -	\$ -	\$ -	\$ 7,890	\$ 2,527,897

See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (287,669)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This reconciling amount is the amount by which capital outlays exceed depreciation in the current period.

Capital outlays	\$ 16,975	
Depreciation expense	<u>(158,784)</u>	(141,809)

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal repayments		400,877
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Value of donated capital assets is reported in the statement of net position, but not reported in governmental funds.

		<u>147,167</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u><u>\$ 118,566</u></u>
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See independent auditors' report and accompanying notes to financial statements.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICES

The accounting and reporting policies of St. Tammany Council on the Aging, Inc. (the Council) conform to the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB). The following is a summary of certain significant accounting policies used by the Council:

Purpose of the Council on Aging – The purpose of the Council is to collect facts and statistics and make special studies of conditions pertaining to the employment, financial status, recreation, social adjustment, mental and physical health or other conditions affecting the welfare of the aging people in St. Tammany Parish; to keep abreast of the latest developments in these fields of activity throughout Louisiana and the United States; to interpret its findings to the citizens of the parish and state; to provide for the mutual exchange of ideas and information on the parish and state level; to conduct public meetings; to make recommendations for needed improvements and additional resources; to promote the welfare of aging people; to coordinate and monitor services of other local agencies serving the aging people of the parish; to assist and cooperate with the Governor's Office of Elderly Affairs (GOEA) and other departments of state and local government serving the elderly, and to make recommendations relevant to the planning and delivery of services to the elderly of the Parish.

Specific services provided by the Council to the elderly residents of St. Tammany Parish include providing congregate and home delivered meals, nutritional education, information and assistance, outreach, material aid, home repairs, medication management, medic alert units, in-home respite care, personal care, sitter services, support groups, public education, senior centers, utility assistance, homemakers, recreation, legal assistance, wellness, and transportation. The Council also provides transportation services to the general public, primarily the elderly, of St. Tammany Parish.

Reporting Entity – In 1964, the State of Louisiana passed Act 456 authorizing the charter of a voluntary council on aging for the welfare of the aging people in each parish of Louisiana. In 1979, the Louisiana Legislature created the GOEA with the specific intention to administer and coordinate social services and programs for the elderly population of Louisiana through sixty-four parish voluntary councils on aging. Each council on aging in Louisiana must comply with the state laws that apply to quasi-public agencies as well as the policies and regulations established by GOEA.

The Council is a legally separate, non-profit, quasi-public corporation. The Council received its charter from the Governor of the State of Louisiana on April 4, 1967 and subsequently incorporated on September 5, 1968 under the provisions of Title 12, Chapter 2 of the Louisiana Revised Statutes.

A Board of Directors, consisting of 15 voluntary members, who serve three-year terms, governs the Council. Each member may serve no more than two consecutive terms. A board member who has served two consecutive terms is ineligible to serve on the board of directors for one year. Reasonable efforts are made to maintain a board of directors who is representative of the population of St. Tammany Parish. Nominations to fill expiring terms of board members are made in June to the Council's membership committee that will consider and screen the nominations. The membership committee nominates who it believes to be the best-qualified persons to the full board. The members of the Council elect board

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

members at their annual membership meeting in July. Any adult citizen of St. Tammany Parish may register to be a member of the Council. Membership fees are not charged.

Based on the criteria set forth in GASB Codification Section 2100 *Defining the Financial Reporting Entity*, the Council is not a component unit of another primary government nor does it have any component units that are related to it. The Council presents its financial statements as a special purpose, stand-alone government; accordingly, it is applying the provisions of GASB as if it were a primary government.

Basis of Presentation of the Basic Financial Statements – The Council's basic financial statements consist of government-wide financial statements on all activities of the Council, which are designed to report the Council as a whole entity, and fund financial statements, which purpose are to report individual major governmental funds and combined non-major governmental funds.

Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Council's functions and programs have all been categorized as governmental activities. The Council does not have any business-type activities, fiduciary funds, or any component units that are fiduciary in nature. Accordingly, the government-wide financial statements do not include any of these activities or funds.

Government-Wide Financial Statements – The government-wide financial statements include the statement of net position and the statement of activities for all activities of the Council. As a general rule, the effect of interfund activity is eliminated from the statements. The government-wide presentation focuses primarily on the sustainability of the Council as an entity and the change in its net position resulting from the activities of the current fiscal year. Governmental activities generally are supported by intergovernmental revenues and property tax revenues.

In the government-wide statement of net position one column is presented for total governmental activities which are presented on a consolidated basis.

The statement of net position is prepared on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Council's net position are reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Council's functions and significant programs. Many functions and programs are supported by general government revenues such as intergovernmental revenues, property taxes, and unrestricted public support, particularly if the function or program has a net cost.

The statement of activities begins by presenting gross direct and indirect expenses that include depreciation, and then reduces the expenses by related program revenues such as charges for services, operating and capital grants, and contributions, to derive the net cost of each function or program. Program revenues must be directly associated with the function or program to be used to directly offset its cost. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Direct expenses are clearly identifiable with a specific function or program, whereas the Council allocates its indirect expenses among various functions and programs in accordance with OMB Circular A-87. The statement of activities shows this allocation in a separate column labeled indirect expenses. GOEA provides administrative grant funds to help the Council pay for a portion of its indirect costs. As a result, only the indirect costs in excess of the GOEA administrative funds are allocated to the Council's other functions and programs.

In the statement of activities, charges for services represent program revenues obtained by the Council when it renders services provided by a specific function or program to people or other entities. Contributions, property taxes, grants, interest income, special event, fundraising, and miscellaneous revenues that are not properly included among program revenues are reported instead as general revenues in this statement. Special items, if any, are significant transactions within the control of management that are either unusual in nature or infrequent in occurrence, and are separately reported below general revenues. There were no special items this year.

Fund Financial Statements – The fund financial statements present financial information that is very similar to that which was included in the general-purpose financial statements issued by governmental entities before Statement No. 34 required the format change.

The daily accounts and operations of the Council continue to be organized using funds and account groups. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain governmental functions or activities. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The Council uses governmental fund types. The focus of the governmental funds' measurement (in the fund statements) is on determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than on net income. An additional emphasis is placed on major funds within the governmental fund types. A fund is considered major if it is the primary operating fund of the Council or if its total assets, liabilities, revenues, or expenditures are at least 10% of the corresponding total for all funds of that category or type. In addition, management may also choose to report any other governmental fund as a major fund if it believes the fund is particularly important to financial statement users. For this year, no additional funds were deemed to be major funds by management. The non-major funds are summarized by category or fund type into a single column in the fund financial statements.

The following is a description of the governmental funds of the Council:

The General Fund is the primary operating fund of the Council and is used to account for all financial resources except those required to be accounted for in another fund.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

The following are brief descriptions of the programs that comprise the Council's General Fund:

Local Programs and Funding – The Council receives revenues that are not required to be accounted for in a specific program or fund. Accordingly, these revenues have been recorded in the local program of the General Fund. These funds are mostly unrestricted, which means they may be used at management's discretion. Expenditures to acquire fixed assets, and expenditures for costs not allowed by another program due to budget limitations or the nature of the expenditure, are generally recorded in the local program. Because these funds are mostly unrestricted, they are often transferred to other programs and funds to eliminate deficits in cases where the expenditures of the other programs and funds exceeded their revenues.

Senior Citizen Activities – The Council operates centers in Slidell, Lacombe, Covington, Mandeville, Folsom, Bush, and Pearl River. The participants at some of these centers generally solicit public support through activities to help offset the costs of their activities which are not paid for by GOEA's primary grant for senior centers. The revenues and related expenditures for senior center activities are maintained separately within the Council's general ledger.

Senior Olympic Games – During the year, the Council sponsored the Senior Olympic Games for the elderly of St. Tammany Parish. The event was held from May 11, 2013 through June 8, 2013. Public support for this program was provided from various businesses and non-profit entities of St. Tammany Parish. Approximately, 128 people participated in the senior games.

Resource Festival – In July 2013, the Council held its annual Resource Festival, which is an event designed to bring the elderly of the parish into contact with persons and companies that provide goods and services that can help the elderly improve the quality of their life styles and educate them about health and medical issues. The revenues received from the sponsors of the Resource Festival and the related costs to hold this function have been accounted for in the General Fund.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following are brief descriptions of the purpose of each special revenue fund and the classification as either a major or non-major governmental fund:

Major Governmental Funds:

Title III B Fund – The Title III B Supportive Services Fund accounts for funds used to provide various units of supportive social services to the elderly. GOEA established the criteria for a qualifying unit of service for each Title III program. Specific supportive social services, along with the number of units provided during the fiscal year, are as follows:

Service	Units
Homemaker	2,783
Legal assistance	225
Material aid	240
Outreach	451
Recreation	25,428
Transportation	27,130
Medic alert	476
Information and assistance	1,811
Chore	167

Revenues generated by providing transportation services were \$2,060 and have been reported in this fund as program service fees. These revenues have been used to offset the costs associated with generating the service revenues.

Title III C-1 Fund – The Title III C-1 Fund accounts for funds used to provide nutritional, congregate meals to people age 60 or older in strategically located centers throughout St. Tammany Parish. The Council maintains meal sites in Slidell, Mandeville, Covington, Lacombe, Folsom, Bush, and Pearl River. During the year, the Council served 47,726 meals to people eligible to participate in this program.

Title III C-2 Fund – Title III C-2 Fund accounts for funds used to provide nutritional meals to homebound people who are age 60 or older. Using Title III C-2 funds, the Council served 81,566 meals during the year to people eligible to participate in this program.

Non-Major Governmental Funds:

Title III C Area Agency Administration (AAA) Fund – The Title III C Area Agency Administration Fund is used to account for a portion of the indirect costs of administering the Council's programs. Each fiscal year, GOEA provides the Council with funds to help pay for the costs of administering the Council's special programs for the aging. The Council allocates the remaining indirect costs to this fund first. Once the GOEA funds are completely used, any indirect costs in excess of the funds provided by GOEA are distributed to other funds and programs using a formula based on the percentage each program's direct costs bears to direct costs for all programs. Indirect costs are not allocated to all funds because program restrictions may prohibit or limit the payment of administrative costs.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Title III D Fund – The Title III D Fund accounts for funds used for wellness, which includes disease prevention and health promotion activities. During the year, 11,633 units of wellness type services and 612 units of medication management services were provided to eligible participants in this program.

Title III E Fund – The Title III E Fund accounts for funds relating to the National Family Caregiver Support program. The National Family Caregiver Support program is designed to provide multifaceted systems of support services for family caregivers and for grandparents or older individuals who are relative caregivers. This program targets older, low-income individuals. Specific types of services that can be provided by this program include: Material Aid, Support Groups, Respite Care, Sitter Service, and Information and Assistance. Eligible participants include (1) adult family members, or another adult person, who provides uncompensated in-home and community care to an older person who needs supportive services or (2) grandparents, or a person 60 years of age or older, who is related to a child by blood or marriage and (a) lives with the child, (b) is the primary caregiver, and (c) has a legal relationship to the child or is raising the child informally. During the year, the Council provided 1,811 units of information and assistance, 2,122 units of in-home respite care, 240 units of material aid, 453 units of personal care, 50 units of support group services, 50 units of public education and 171 units of sitter service.

Senior Center Fund – The Senior Center Fund accounts for the administration of Senior Center program funds appropriated by the Louisiana Legislature to GOEA, which, in turn, passes through the funds to the Council. The purpose of this program is to provide a community service center where elderly people can receive supportive social services and participate in activities which foster their independence, enhance their dignity, and encourage their involvement in and with the community. The primary senior centers for the Parish are located in Slidell and Covington.

In addition, satellite senior centers are located in Lacombe, Mandeville, Pearl River, Folsom, and Bush. Senior Center funds can be used at management's discretion to support any of the Council's programs that benefit the elderly. Management did not transfer any of this year's Senior Center grant funds to any other programs. All revenue received in the Senior Center Fund account was used to pay operating costs for the senior centers.

Supplemental Senior Center Fund – The Louisiana Legislature appropriated additional money for various councils on aging throughout the state to be used to supplement the primary grant for senior centers. Due to the census the Council was one of the parish councils to receive an amended supplemental grant of \$3,100. The money received by this fund during the year was transferred to the Title III C-2 Fund to supplement the nutrition services provided by this fund. The Governor's Office of Elderly Affairs provided these funds to the Council.

Audit Fund – The Audit Fund accounts for funds received from the Governor's Office of Elderly Affairs that are restricted to use as a supplement to pay for the cost of having an annual audit of the Council's financial statements. Audit expenditures are charged to this fund up to the amount of the GOEA subsidy of \$2,735. The excess audit costs of \$23,630 have been distributed to other funds and programs using the Council's indirect cost allocation formula.

Utility Assistance Fund – The Utility Assistance Fund accounts for the administration of utility assistance programs sponsored by local utility companies. The companies collect contributions from service

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

customers and remit the funds to the parish councils on the aging to provide assistance to the elderly for the payment of utility bills. The contributions can only be used to pay for direct services. No indirect or administration expenses can be paid for with these funds. The Council's general policy is to provide utility assistance of up to \$200 per eligible person per instance, not to exceed two instances per year. During the year, the Council was able to provide assistance in 106 instances for different people with these funds.

Measurement Focus and Basis of Accounting – Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied.

Government-Wide Financial Statements - Accrual Basis – The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund Financial Statements - Modified Accrual Basis – Governmental fund level financial statements are reported using a current financial resources measurement focus and the modified accrual basis of accounting. A current financial resources measurement focus means that current assets and current liabilities are included on the fund balance sheet. The operating statements of the funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual when they are both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Council considers revenues to be available if they are collected within six months of the current fiscal year end, except for property tax revenues, which are accrued if they are collected within 60 days of year end. Expenditures are generally recorded under the modified accrual basis of accounting when the related liability is incurred, if measurable, except for the following: (1) unmatured principal and interest on long-term debt, if any, are recorded when due, and (2) claims, judgments, and compensated absences are recorded as expenditures when paid with expendable available financial resources. Depreciation is a cost that is not recognized in the governmental funds.

Interfund Activity – In the fund financial statements, interfund activity is reported as either loans or transfers. Loans between funds are reported as interfund receivables (due from) and payables (due to) as appropriate. Transfers represent a permanent reallocation of resources between funds. In other words, they are not expected to be repaid. In the government-wide financial statements, transfers between funds are netted against one another as part of the reconciliation of the change in fund balances in the fund financial statements to the change in net position.

Cash and Cash Equivalents – Cash and cash equivalents includes not only currency on hand, but also demand deposits and money market funds with banks or other financial institutions.

For purposes of the statement of net position, restricted cash are amounts received or earned by the Council with an explicit understanding between the Council and the resource provider that the resource would be used for a specific purpose.

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Receivables – The financial statements for the Council do not contain an allowance for uncollectible receivables because management believes all amounts will be collected. However, if management becomes aware of information that would change its assessment about the collectibility of any receivable, management would write off the receivable as a bad debt at that time.

Investments – GASB Codification Section I50 *Investments* requires the Council to report its investments at fair value in the balance sheet, except for investments in non-participating interest-earning contracts, such as non-negotiable certificates of deposit with redemption terms that do not consider market rates. This type of investment is reported using a cost-based measure, provided the fair market value of the contract is not significantly affected by the impairment of the credit standing of the issuer or other factors. The Council had no investments at June 30, 2013.

Prepaid Expenses – Prepaid expenses include amounts paid in advance for goods and services. Prepaid expenses are shown as either current or other assets on the government-wide statement of net position, depending on when management expects to realize their benefits.

The method of accounting for prepaid expenditures helps assure the Council's management that costs incurred will be reported in accordance with the Council's cost reimbursement grants. The grants do not permit the Council to obtain reimbursement for qualified expenditures until the goods and services are consumed. As a result, the prepaid expenditures are shown as an asset on the balance sheet of the fund financial statements until they are consumed. In addition, a corresponding amount of the fund balance of the general fund is reserved to reflect the fund balance not currently available for expenditure.

Capital Assets – The accounting and reporting treatment used for capital assets depends on whether the capital assets are reported in the government-wide financial statements or the fund financial statements.

Government-Wide Financial Statements – Capital assets are long-lived assets purchased or acquired with an original cost of at least \$1,000 and that have an estimated useful life of greater than one year. When purchased or acquired, these assets are recorded as capital assets in the government-wide statement of net position. If the asset was purchased, it is recorded in the books at its cost. If the asset was donated, then it is recorded at its estimated fair market value at the date of donation. Capital assets will also include major repairs to equipment and vehicles that significantly extend the asset's useful life. Routine repairs and maintenance are expensed as incurred.

For capital assets recorded in the government-wide financial statements, depreciation is computed and recorded using the straight-line method for the asset's estimated useful life. The Council follows a guideline issued by the State of Louisiana's Office of Statewide Reporting and Accounting to establish the useful lives of the various types of capital assets that are depreciated and the method used to calculate annual depreciation.

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The estimated useful lives of the depreciable capital assets are as follows:

Buildings	20 years
Vehicles	5 to 9 years
Equipment - other than computers	6 to 10 years
Computer equipment	5 years
Leasehold improvements	20 years

When calculating depreciation, the State of Louisiana's guideline assumes that capital assets will not have any salvage value and that a full year's worth of depreciation will be taken in the year the capital assets are placed in service or disposed.

Fund Financial Statements – In the fund financial statements, capital assets used in the Council's operations are accounted for as capital outlay expenditures of the governmental fund that provided the resources to acquire the assets. Depreciation is not computed or recorded on capital assets for purposes of the fund financial statements.

Unpaid Compensated Absences – The Council's policies for vacation leave permit employees to accumulate earned but unused vacation leave. Accordingly, a liability for the unpaid vacation leave has been recorded in the government-wide statements. Management has estimated the current and long-term portions of this liability based on the Council's policy as it relates to vacation leave. Accordingly, all amounts earned and unused as of year-end are considered a current liability for purposes of the statement of net position. The amount accrued as the compensated absence liability was determined using the number of vested vacation hours for each employee multiplied by the employee's wage rate in effect as of June 30, 2013.

In contrast, the governmental funds in the fund financial statements report only compensated absence liabilities that are payable from expendable available financial resources to the extent that the liabilities mature. Vacation leave does not come due for payment until an employee makes a request to use it or terminates employment with the Council. Accordingly, payments for vacation leave will be recorded as fund expenditures in the various governmental funds in the year in which they are paid or become due on demand to terminated employees. As a result, no amounts have been accrued as fund liabilities as of year-end in the fund financial statements. The difference in the methods of accruing compensated absences creates a reconciling item between the fund and government-wide financial statement presentations.

The Council's sick leave policy does not provide for the vesting of sick leave thereby requiring the employee to be paid for any unused leave upon termination of employment. Accordingly, no amounts have been accrued as unpaid compensated absences in the government-wide financial statements or the fund financial statements relative to sick leave.

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Net Position in the Government-wide Financial Statements – In the government-wide statement of net assets, the net asset amount is classified and displayed in three components:

- Invested in capital assets, net of related debt –consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets.
- Restricted net position – consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

When both restricted and unrestricted resources are available for use in a specific program or for a specific purpose, the Council's normal policy is to use restricted resources first to finance its activities, except for nutrition services. When providing nutrition services, revenues earned by the Council under its NSIP contract are used to pay for raw food that is bought and served to a person eligible to receive a meal under the nutrition programs. The Council's management has discretion as to how and when to use the NSIP revenues when paying for nutrition program costs. Unrestricted resources are available for use that must be consumed or they will be returned to the grantor agency, therefore management elects to apply and consume the unrestricted resources before the restricted resources. As a result, in this case, the Council will depart from its usual policy of using restricted resources first.

Fund Equity - Fund Financial Statements – The Council has adopted GASB Codification Sections 1300 *Fund Account* and 1800 *Classification and Terminology*, which changed the reporting of fund balance in the balance sheets of governmental type funds. In fund financials, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Council is bound to honor constraints on the specific purpose for which amounts in the funds can be spend.

Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

- *Nonspendable* – consists of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* – consists of amounts that have constraints placed on them either externally by third-parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the Council to assess, levy, change or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.
- *Committed* – consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Council. Those committed amounts cannot be used for any other purpose unless the Council removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed previously to commit those amounts.
- *Assigned* – consists of amounts that are constrained by the Council's intent to be used for specific purposes, but are neither restricted nor committed.

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- *Unassigned* –consists of amounts that have not been restricted, committed or assigned to specific purposes within the general fund. When both restricted and unrestricted resources are available for use, the Council uses restricted resources first, then unrestricted resources (committed, assigned and unassigned) are available for use.

Net Position – On July 1, 2012, the District adopted GASB Codification, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provided financial reporting guidance for deferred outflows of resources, deferred inflows of resources, and net position. State and local governments enter into transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods. GASB Codification requires that deferred outflows of resources should be reported in a statement of net position in a separate section following assets and deferred inflows of resources should be reported in a separate section following liabilities.

Net position represents the difference between assets, deferred outflows, liabilities, and deferred inflows. Net position should be displayed in three components - invested in capital assets, net of related debt consisting of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt proceeds used for the acquisition, construction, or improvements of those assets; restricted distinguishing between major categories of restrictions and consisting of restricted assets reduced by liabilities and deferred inflows of resources related to those assets; and unrestricted consisting of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of invested in capital assets, net of related debt or the restricted component of net position. The Council had no deferred inflows or outflows for the year end June 30, 2013.

When fund balance resources are available for a specific purpose in multiple classifications, the Council would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

Use of Estimates – The preparation of financial statements in conformity with United States generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Allocation of Indirect Expenses – The Council reports all direct expenses by function and programs of functions in the statement of activities. Direct expenses are those that are clearly identifiable with a function or program. Indirect expenses are recorded as direct expenses of the administration function. GOEA provides funds to partially subsidize the Council's administration function. The unsubsidized net cost of the administration function is allocated using a formula based primarily on the relationship of the direct cost a program bears to the direct cost of all programs. There are some programs that cannot absorb any indirect expense allocation according to their grant, contract, or donor restrictions.

NOTE B – REVENUE RECOGNITION

Revenues are recorded in the government-wide financial statements when they are earned under the accrual basis of accounting. Revenues are recorded in the fund financial statements using the modified accrual basis of accounting. In applying the susceptible to accrual concept using this basis of accounting,

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intergovernmental grant revenues, program service fees (charges for services), and interest income are usually both measurable and available. However, the timing and amounts of the receipts of public support, fund-raisers, and miscellaneous revenues are often difficult to measure; therefore, they are generally recorded as revenue in the period received.

NOTE C – REVENUE RECOGNITION – PROPERTY TAX

During fiscal year 2009, a property tax was adopted by the voters of St. Tammany Parish to provide money to finance the Council's operations. The St. Tammany Parish Assessor will assess the property tax each November 15 for ten years. The tax will be based upon the assessed value, less homestead exemptions, on all real and business personal property located within the Parish. One mill is the maximum amount the Council may legally elect to assess property owners each year. Accordingly, management has estimated the initial gross amount of property tax payable, excluding back tax settlements, to the Council for this fiscal year to be approximately \$1,300,000.

Property taxes are due on November 15 and are considered delinquent if not paid by December 31. Most of the property taxes are collected during the months of December, January, and February. The St. Tammany Parish Sheriff acts as the collection agent for property taxes and does not charge the Council any commission for performing this service. In an effort to collect all taxes due for the Parish, the Sheriff will have a tax sale each year.

The Council records property taxes as revenues in accordance with the modified accrual basis of accounting. The Council also accrues, as current year revenues, any property taxes it receives within 60 days of year-end because it considers those amounts to be measurable and available.

Property tax revenues in the fund financial statement of revenues, expenditures, and changes in fund balances-governmental funds include \$36,473 withheld by the Sheriff to make on-behalf payments for fringe benefits, which represent the Council's pro rata share of retirement plan contributions for other governmental units. This amount has been included as a component of intergovernmental expenditures in the fund financial statements. For purposes of the government-wide statement of activities, property tax revenues of \$1,341,884 were reduced by \$36,473 withheld by the Parish for retirement benefits and administrative charges to produce net property tax revenue of \$1,305,411, which was a component of general revenues on that statement.

NOTE D – CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents – The Council maintains a consolidated operating bank account at a financial institution, which is available for use by all funds to deposit revenues and pay expenses. The purpose of the consolidated account is to reduce administration costs and facilitate cash management. The consolidated account also allows those funds with available cash resources to temporarily cover any negative cash balances in other funds. The Council also maintains a demand deposit account for payroll disbursements and a savings account for easy access to funds should they be needed for operations. The Council maintains 15 petty cash funds of \$100 each at its various locations to pay for small, unexpected expenses that may arise during operations.

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Cash Equivalents – LAMP – LAMP represents those assets held in the Louisiana Asset Management Pool (LAMP), a local government investment pool which is not categorized under GASB Codification Section I50.164 because the investment is in a pooled fund and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds.

The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. The fair market value of investments is determined on a weekly basis to monitor any variances between amortized cost and market value. For purposes of determining participants' shares, investments are valued at amortized cost. LAMP is designed to be highly liquid to provide immediate access to participants.

Restricted Cash – For purposes of the statement of net position, the cash and cash equivalents balance of \$2,602,638 is comprised of restricted cash of \$7,890 and unrestricted cash and cash equivalents of \$2,594,748. The restricted cash equals the sum of the restricted net assets in the statement of net position. The Council has presented restricted cash as current assets in the statement of net position because it is available for use in current operations.

Custodial Credit Risk – As described in Louisiana law, the Council is classified as a quasi-public entity. Accordingly, the Council is not required to comply with Louisiana laws relating to the collateralization of bank deposits. However, it is the Council's policy to follow state law in an effort to minimize risks associated with bank deposits that exceed those currently covered by FDIC insurance.

Cash and cash equivalents are reported at their carrying value, which equals its fair value. As of June 30, 2013, the combined carrying amount of the Council's cash and cash equivalents on its books, including \$1,500 of petty cash, was \$2,601,138 whereas the related bank balances totaled \$2,729,516. The primary difference in these amounts relates to deposits made to and checks written on demand deposit accounts that have not yet cleared the bank accounts.

As of June 30, 2013, \$275,129 of the bank balances were insured by federal depository insurance. The securities are being held at the Federal Reserve Bank in New Orleans on behalf of the Council. The remaining \$2,454,387 is invested in LAMP money market funds which are backed by the U.S. Government.

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NOTE E – CHANGES IN CAPITAL ASSETS AND ACCUMULATED DEPRECIATION

A summary of changes in capital assets and accumulated depreciation is as follows:

Capital Assets Being Depreciated	July 1, 2012	Additions	Deletions	June 30, 2013
Buildings	\$ 635,842	\$ -	\$ -	\$ 635,842
Vehicles	805,718	147,167	-	952,885
Office furniture and equipment	40,540	-	-	40,540
Computer equipment and software	26,468	-	(12,725)	13,743
Nutrition equipment	9,939	16,975	-	26,914
Leasehold improvements	15,112	-	-	15,112
Total capital assets	1,533,619	164,142	(12,725)	1,685,036
Less accumulated depreciation				
Building	108,741	21,299	-	130,040
Vehicles	520,394	126,016	-	646,410
Office furniture and equipment	21,828	4,314	-	26,142
Computer equipment and software	16,841	5,095	(12,725)	9,211
Nutrition equipment	5,741	1,304	-	7,045
Leasehold improvements	10,214	756	-	10,970
Total accumulated depreciation	683,759	158,784	(12,725)	829,818
Capital assets, net of depreciation	\$ 849,861	\$ 5,358	\$ -	\$ 855,218

The Council's management has reviewed the remaining capital assets and does not believe any of them to have been impaired as of year-end. Depreciation was charged to governmental activities as follows:

Administration	\$ 25,496
Supportive social services: transportation	126,017
Senior citizen center operations	5,967
Nutrition services: congregate meals	1,304
Net depreciation expense	<u>\$ 158,784</u>

NOTE F – LONG-TERM DEBT

On April 27, 2007, the Council entered into a 15-year purchase agreement with a financial institution for the building located on Ramos Avenue in Covington, Louisiana. The promissory note was in the amount of \$522,000. The borrowings under the Agreement bore interest at a fixed rate of 6.75% through June 6, 2012. As of June 7, 2012, the interest rate was decreased to 4.5% for the remainder of the loan period. The balance of the loan was paid off in May 2013.

NOTE G – FUND BALANCES – FUND FINANCIAL STATEMENTS

As of June 30, 2013, one special revenue fund had a remaining fund balance. Usually, the fund balances of the special revenue funds are cleared out as of June 30 to comply with the administration and

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accounting policies of the grantor agencies that have awarded the Council certain grants. However, there are exceptions to these policies.

The Council has \$7,890 of utility assistance contributions that remain unspent as of year-end. The donors restrict these contributions for specific purposes. Accordingly, management separately accounts for them in a special revenue fund to ensure accountability. Utility assistance fund balances are common amongst council on aging entities. Utility assistance is a supportive service rendered under the Council's Title III B program. Rather than commingle the accounting of the receipts and disbursements of the utility assistance within the Title III B Fund, GOEA prefers that councils on aging use a separate fund that can facilitate the monitoring of the Title III B activity separately from the utility assistance activities.

NOTE H – IN-KIND CONTRIBUTIONS

The Council received a variety of in-kind contributions during the year, but did not record the fair value of them in its government-wide and fund financial statements, except for the donation of capital assets. In the case of a donation of a capital asset, accounting principles for governmental entities require the fair value of a donated capital asset be recorded in the statement of activities at the time of acquisition. However, these same principles do not permit the recording of the fair value of capital assets (or other in-kind contributions) in the fund financial statements because of the measurement focus of such statements.

The Council received the following in-kind contributions during the year for its senior centers and meal sites, which management estimates the aggregate in-kind value to be \$54,685.

- The Covington senior center, Hadden Hall, was furnished by the American Legion Post 16 without charge for rent, but the Council had to pay for the utilities, repairs, maintenance, and insurance.
- The Slidell Senior Center is furnished by the City of Slidell for an annual cost of \$1 for rent.
- The Lacombe meal site is furnished by the St. Tammany Parish School Board for an annual cost of \$1 for rent.
- The Mandeville meal site is furnished by the City of Mandeville without charge for rent and utilities.
- The Town of Pearl River furnishes the Pearl River meal site at no charge. Furthermore, the Council is responsible for paying ½ of the utility bills and a monthly cleaning fee of \$325.
- The Bush Meal Site is furnished by the Bush Fifth Ward Recreation District for an annual cost of \$1 for rent. The Council is responsible for paying \$500 per month for utilities and cleaning fees.
- The Folsom meal site is furnished by the Masonic Hall with a monthly rent of \$400.

As well, the Council received an in-kind donation of four vans during the current period with a fair value of \$147,167. The value of these vans is recorded in capital assets, net of accumulated depreciation in the statement of net position and transportation operating grants and contributions in the statement of activities.

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NOTE I – ON-BEHALF PAYMENTS FOR FRINGE BENEFITS

The Council and its qualified employees participate in the Louisiana Deferred Compensation Plan (the Plan), which is a nonqualified deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Great-West Life and Annuity Insurance Company administers the Plan. The Plan is available to all Council employees who have worked at least six months. Participation is not mandatory. The Plan permits participating employees to defer up to the lesser of (1) 100% of their taxable compensation or (2) \$14,000 (\$18,000 if over 50 years of age) per year. In addition, the Council will match any amount a participant defers up to 4% of the participant's salary. All amounts contributed to the Plan by the employees and the Council are non-forfeitable thereby making them 100% vested by the employees. During the fiscal year, \$2,592 was contributed to the plan via employee salary deferrals. Matching amounts contributed by the Council were \$2,600. The Plan does not meet the definition of a fiduciary fund; accordingly, the Council has not reported any amounts in these financial statements. The Council does not guarantee the benefits of any amounts contributed to the Great-West Life and Annuity Insurance Company.

State law requires the Council to bear a pro-rata share of the pension expense relating to the public employees of St. Tammany Parish who participate in the Parochial Employees Retirement System. The Council's pro-rata share of the required contribution was \$36,473, which was withheld by the Sheriff from property tax collections to satisfy the Council's obligation. The amount withheld has been included as an intergovernmental expenditure of the general fund in these financial statements. As described in Note C, the Council increased its property tax revenues by the same amount of the intergovernmental expenditure. None of the Council's employees participate in or benefit from any pension plan relating to this expenditure.

NOTE J – COMPENSATED ABSENCES

For purposes of the statement of net position, the Council has presented all of its accumulated unpaid vacation leave as a current liability. Vested amounts should be used before the end of the next fiscal year, therefore, no liability for vacation leave has been presented in the balance sheet of the fund financial statements. Vacation leave is not a liability until the employee has made a request to use it or terminates employment with the Council.

NOTE K – BOARD OF DIRECTORS COMPENSATION

The Board of Directors is a voluntary board. Board members do not receive compensation. Board members can submit an expense request form for out-of-pocket expenses that are in accordance with the Council's travel reimbursement policy.

NOTE L – INCOME TAX STATUS

The Council, a non-profit corporation, is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code. The Council is also exempt from Louisiana income tax. The Council does not file a Form 990 because it has been determined to be an affiliate of a governmental unit according to Section 4 of Revenue Procedure 95-48, 1995-2 CB. 418. Management believes there are no uncertainties included in the accompanying financial statements.

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NOTE M – JUDGEMENTS, CLAIMS, AND SIMILAR CONTINGENCIES

The Council is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; officer and directors, liability; business interruption; natural disasters; and volunteer liability. Except for business interruption and certain acts of God, the Council has purchased commercial insurance to reduce the risk of loss that may arise in the event of these occurrences. There have been no significant reductions in coverage from the prior year. No settlements were made during the current or prior three fiscal years that exceeded the Council's insurance coverage.

The Council is party to routine claims and legal proceedings arising in the ordinary course of business. All such claims are covered by insurance and, in the opinion of management; the outcome of such actions will have no material impact on the financial condition or results of operations for the Council.

NOTE N – CONTINGENCIES – GRANT PROGRAMS

The Council participates in state and federal grant programs governed by various rules and regulations. Costs charged to the respective grant programs are subject to audit by the grantor agencies; therefore, any noncompliance may cause impairment. In management's opinion, there are no significant contingent liabilities related to compliance with rules and regulations governing state and federal grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies. Audits of prior years have not resulted in any significant disallowed costs or refunds. Any disallowed costs should be recognized in the period agreed upon by the grantor agency and the Council.

NOTE O – ECONOMIC DEPENDENCY

The Council's largest single source of revenue is from a property tax. If the property in St. Tammany Parish were to be assessed at lower values due to natural disaster or another unpredictable event, the amount of property tax revenue that the Council receives could be adversely affected. Management is not aware of any other actions or events that would affect the Council.

The Council also receives significant amounts of its annual revenues from the Governor's Office of Elderly Affairs (GOEA). The revenues are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal or state level, the amount of funds the Council receives could be reduced significantly and have an adverse impact on its operations. Management is not aware of any actions that will significantly affect the amount of funds the Council will receive next year relating to revenues it usually receives from GOEA.

NOTE P – RELATED PARTY TRANSACTIONS

There were not any related party transactions during the year ended June 30, 2013.

NOTE Q – LEASE AND RENTAL COMMITMENTS

On December 1, 1993, the Council entered into a one-year lease with the St. Tammany Parish School Board (the School Board) whereby the rent from the School Board is \$1 per year for a building at 27561

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St. Joseph Street in Lacombe, LA. The Council uses this building as a meal site for the elderly. There is a provision in the lease that at the end of each year it will automatically renew itself for another term of one year at the same rental and under the same terms. The renewal provision will continue indefinitely except that either party may cancel the lease upon thirty day notice.

On July 30, 1994, the Council entered into a 20 year lease with the City of Slidell (the City) whereby the Council will rent from the City, for \$1 per year, a building referred to as the Slidell Senior Citizens Center at 610 Cousin Street, Slidell, LA. The Council has the right to renew this lease for 10 additional years under the same terms and conditions. Either party may terminate the lease with 120 days written notice. The City will be responsible for any repair requiring labor and material of \$501 or more. This location was destroyed by Hurricane Katrina in August 2005 and was reconstructed by the City of Slidell, which was reopened in March 2013.

The Council leases from the American Legion Post No. 16 on a month-to-month basis a building, located at 106 S. Jahncke Avenue, Covington, Louisiana, to use as a senior citizens center and meal site facility. The facility is commonly referred to as Hadden Hall. Terms of the lease do not require the Council to pay any rent, however, the Council is responsible for paying all operational costs, including utilities, repairs, maintenance, and insurance coverage on the building, its contents, and against liability.

On September 19, 2000, the Council entered into a 5-year lease with the Bush Fifth Ward Recreation, Inc. (BFWR) whereby the Council will rent from BFWR, for \$1 per year, a building referred to as the Bush Recreation Center at 81605 Highway 41, Bush, Louisiana. The lease expired on September 19, 2005. Another written lease was not executed, however, BFWR has allowed the Council to continue to rent the space on a month-to month basis. Either party may terminate the lease with 30 days written notice. The Council uses the Center as a meal site for elderly residents in the Bush area.

The Council entered into a month-to-month lease with the A.U. Peterson Lodge #455 F & AM (the Lodge) to rent, at no charge, a building referred to as the Masonic Hall (the Hall) at 13120 Cleveland Street, Folsom, Louisiana. Either party may terminate the lease with 30 days advance written notice.

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NOTE R – INTERFUND TRANSFERS – FUND FINANCIAL STATEMENTS

Operating transfers to and from are listed by fund for the fiscal year as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General fund	\$ -	\$ 1,253,711
Title III B fund	722,087	-
Title III C-1 fund	66,006	-
Title III C-2 fund	336,154	-
Title III AAA	-	-
Title III D	30,294	-
Title III E	74,654	-
Alzheimers' caregiver assistance	-	-
Senior center	30,351	-
Supplemental senior center	-	3,100
Audit	(2,735)	-
Total	<u>\$ 1,256,811</u>	<u>\$ 1,256,811</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect the fund that statute or budget requires to expend and (b) shift unrestricted revenues collected in the general fund and certain special revenue funds to finance various programs accounted for in other funds in accordance with budgetary authorizations or operational needs. These transfers were eliminated as a part of the consolidation process in preparing the government-wide financial statements.

NOTE S – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 18, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

ST. TAMMANY COUNCIL ON THE AGING, INC.
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Amounts	Variance with
	Original	Final	Modified Accrual Basis	Final Budget Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs	\$ 51,976	\$ 51,977	\$ 100,000	\$ 48,023
State revenue sharing	23,200	23,200	-	(23,200)
City support	26,000	26,000	-	(26,000)
Property taxes	1,100,000	1,300,000	1,341,884	41,884
Public support - unrestricted	41,784	41,784	4,965	(36,819)
Transportation	-	-	875	875
Entry fees for Senior Olympics	-	-	3,209	3,209
Interest income	3,000	3,000	4,365	1,365
Reimbursement for Gustav Vehicle	-	-	8,712	8,712
Special events and fundraising	10,000	10,000	12,416	2,416
Miscellaneous income	60	60	31,666	31,606
TOTAL REVENUES	1,256,020	1,456,021	1,508,092	52,071
EXPENDITURES				
Current:				
Personnel	20,197	20,197	-	20,197
Fringe	5,885	5,885	3,566	2,319
Travel	914	914	29	885
Operating services	20,338	20,338	1,646	18,692
Operating supplies	29,763	32,263	9,778	22,485
Other costs	3,229	3,229	1	3,228
Special events and fundraising	-	-	3,450	(3,450)
Other expenses	-	-	52,086	(52,086)
Capital outlays	79,000	88,000	16,975	71,025
TOTAL EXPENDITURES	159,326	170,826	87,531	83,295
EXCESS OF REVENUES OVER EXPENDITURES	1,096,694	1,285,195	1,420,561	135,366
OTHER FINANCING USES				
Operating transfers out	(1,096,694)	(1,285,195)	(1,253,711)	31,484
NET CHANGE IN FUND BALANCE	\$ -	\$ -	166,850	\$ 166,850
FUND BALANCE				
Beginning of year			2,807,368	
End of year			<u>\$ 2,974,218</u>	

Debt service and intergovernmental expenditures are not budgeted as these amounts are determined by parties outside of the Council.

See independent auditors' report and notes to required supplementary information.

ST. TAMMANY COUNCIL ON THE AGING, INC.
BUDGETARY COMPARISON SCHEDULE – TITLE III B FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental				
Governor's Office of Elderly Affairs - primary grant	\$ 177,211	\$ 177,211	\$ 177,211	\$ -
Public support - client contributions	1,800	1,800	1,185	(615)
TOTAL REVENUES	179,011	179,011	178,396	(615)
EXPENDITURES				
Current				
Personnel	402,661	408,484	391,127	17,357
Fringe	119,699	103,809	81,510	22,299
Travel	6,426	5,838	1,913	3,925
Operating services	150,843	175,946	192,737	(16,791)
Operating supplies	106,669	123,882	91,031	32,851
Other costs	10,522	11,329	14,215	(2,886)
Full service contracts	133,114	132,723	127,950	4,773
TOTAL EXPENDITURES	929,934	962,011	900,483	61,528
EXCESS OF REVENUES OVER EXPENDITURES	(750,923)	(783,000)	(722,087)	60,913
OTHER FINANCING SOURCES				
Operating transfers in	750,923	783,000	722,087	(60,913)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			\$ -	

See independent auditors' report and notes to required supplementary information.

ST. TAMMANY COUNCIL ON THE AGING, INC.
BUDGETARY COMPARISON SCHEDULE – TITLE III C-1 FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs - primary grant	\$ 126,596	\$ 126,596	\$ 126,596	\$ -
Governor's Office of Elderly Affairs - NSIP grant	79,764	79,764	57,552	(22,212)
Public support - client contributions	25,300	25,300	20,432	(4,868)
TOTAL REVENUES	231,660	231,660	204,580	(27,080)
EXPENDITURES				
Current:				
Personnel	84,317	79,581	63,779	15,802
Fringe	25,431	21,316	16,251	5,065
Travel	2,468	2,880	2,407	473
Operating services	31,873	29,935	26,348	3,587
Operating supplies	2,093	3,093	2,612	481
Other costs	4,786	4,484	4,979	(495)
Meals	211,421	186,887	154,210	32,677
TOTAL EXPENDITURES	362,389	328,176	270,586	57,590
EXCESS OF REVENUES OVER EXPENDITURES	(130,729)	(96,516)	(66,006)	30,510
OTHER FINANCING SOURCES				
Operating transfers in	130,729	96,516	66,006	(30,510)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			<u>\$ -</u>	

See independent auditors' report and notes to required supplementary information.

ST. TAMMANY COUNCIL ON THE AGING, INC.
BUDGETARY COMPARISON SCHEDULE – TITLE III C-2 FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	Modified Accrual Basis	Favorable (Unfavorable)
REVENUES				
Intergovernmental:				
Governor's Office of Elderly Affairs - primary grant	\$ 126,661	\$ 126,661	\$ 126,661	\$ -
Governor's Office of Elderly Affairs - NSIP grant	-	-	21,287	21,287
Public support - client contributions	7,600	7,600	2,621	(4,979)
United Way	-	-	-	-
TOTAL REVENUES	134,261	134,261	150,569	16,308
EXPENDITURES				
Current:				
Personnel	146,800	124,927	100,031	24,896
Fringe	37,509	30,673	23,512	7,161
Travel	5,120	3,758	7,254	(3,496)
Operating services	78,412	76,406	72,016	4,390
Operating supplies	13,603	21,181	17,937	3,244
Other costs	8,809	7,873	8,956	(1,083)
Meals	376,841	311,479	257,017	54,462
TOTAL EXPENDITURES	667,094	576,297	486,723	89,574
EXCESS OF REVENUES OVER EXPENDITURES	(532,833)	(442,036)	(336,154)	105,882
OTHER FINANCING SOURCES				
Operating transfers in	532,833	442,036	336,154	(105,882)
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE				
Beginning of year			-	
End of year			\$ -	

See independent auditors' report and notes to required supplementary information.

ST. TAMMANY COUNCIL ON THE AGING, INC.
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2013

NOTE 1- BUDGETARY REPORTING

The budget information presented in this section of required supplementary information applies to major governmental funds for which annual budgets were adopted. Budgetary information for non-major funds has not been included anywhere in these financial statements. The Council follows these procedures in establishing the budgetary data that has been presented as required supplementary information in these financial statements.

- The Governor's Office of Elderly Affairs (GOEA) notifies the Council each year as to the funding levels for its programs.
- Management projects property tax revenues based on past trends and data available at the Parish Assessor's Office to form expectations of future revenues.
- The revenue information supplied by GOEA and the Parish Assessor are considered by management along with revenue projections of grants from other agencies, program service fees, public support (including client contributions), interest income, and other miscellaneous sources.
- Expenditure projections are developed using historical information and changes to the upcoming year that management is aware of at the time of budget preparation.
- Once the information has been obtained to project revenues and expenditures, the Council's executive director prepares a proposed budget based on the projections. The proposed budget is reviewed and approved by the Council's Finance Committee before it is submitted to the Board of Directors for approval.
- The Board of Directors reviews and adopts the budget for the next fiscal year at a regularly scheduled board meeting held before May 31 of the current fiscal year.
- The adopted budget is forwarded to GOEA for compliance approval.
- Unused budget amounts lapse at the end of each fiscal year (June 30). However, if a grant or contract is not completed by June 30, management will automatically budget funds in the next fiscal year to complete the grant or contract. An example where this might occur is when vehicles are acquired under federal matching programs. The match might be made in one year and the vehicles delivered in another year.
- The budget is prepared on a modified accrual basis, consistent with the basis of accounting, for comparability of budgeted and actual revenues and expenditures.
- Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts and all subsequent amendments. Budget amendments are sent to GOEA and approved by that agency.
- Actual amounts are compared to budgeted amounts periodically during the fiscal year as a management control device.
- The Council may transfer funds between line items in its budget as often as required but must obtain compliance approval from the GOEA for funds received under grants from this agency. As part of its grant compliance, GOEA requires the Council to amend its budget in cases where actual costs for a particular line item exceed the budgeted amount by more than 10%, unless unrestricted funds are available to cover the overrun.
- Expenditures cannot exceed budgeted revenues on an individual fund level, unless a large fund balance exists to absorb the budgeted operating deficit. The Council is not required by state or local law to prepare a budget for every program or activity it conducts. Accordingly, some activities may not be budgeted, particularly if they are deemed to be immaterial by management.

**SUPPLEMENTARY INFORMATION REQUIRED BY
THE GOVERNOR'S OFFICE OF ELDERLY AFFAIRS**

ST. TAMMANY COUNCIL ON THE AGING, INC.
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Title III AAA	Title III D	Title III E	Senior Center	Supple. Senior Center	Audit	Utility Assistance	Totals
REVENUES								
Intergovernmental:								
Governor's Office of Elderly Affairs - primary grants	\$ 51,976	\$ 6,570	\$ 49,631	\$ 236,670	\$ 3,100	\$ 2,735	\$ -	\$ 350,682
Public support (restricted)								
Contributions for restricted purposes	-	-	-	-	-	-	-	-
Utility companies for utility assistance	-	-	-	-	-	-	7,476	7,476
TOTAL REVENUES	51,976	6,570	49,631	236,670	3,100	2,735	7,476	358,158
EXPENDITURES								
Health, welfare, and social services								
Current								
Personnel	21,296	20,960	14,485	122,612	-	-	-	179,353
Fringe	4,019	6,498	3,164	29,125	-	-	-	42,806
Travel	132	4,782	416	2,055	-	-	-	7,385
Operating services	20,595	3,590	9,191	87,229	-	-	-	120,605
Operating supplies	2,042	356	271	21,087	-	-	-	23,756
Other costs	3,892	678	515	4,913	-	-	-	9,999
Utility assistance	-	-	-	-	-	-	7,784	7,784
Caregiver program	-	-	96,243	-	-	-	-	96,243
TOTAL EXPENDITURES	51,976	36,864	124,285	267,021	-	-	7,784	487,930
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(30,294)	(74,654)	(30,351)	3,100	2,735	(308)	(129,772)
OTHER FINANCING SOURCES (USES)								
Operating transfers in	-	30,294	74,654	30,351	-	-	-	135,299
Operating transfers out	-	-	-	-	(3,100)	(2,735)	-	(5,835)
NET CHANGE IN FUND BALANCE	-	-	-	-	-	-	(308)	(308)
FUND BALANCE								
Beginning of year	-	-	-	-	-	-	8,198	8,198
End of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,890	\$ 7,890

See independent auditors' report.

ST. TAMMANY COUNCIL ON THE AGING, INC.
COMPARATIVE SCHEDULE OF CAPITAL ASSETS
AND CHANGES IN CAPITAL ASSETS
FOR THE YEAR ENDED JUNE 30, 2013

	June 30, 2012	Additions	Deletions	June 30, 2013
Capital assets				
Building	\$ 635,842	\$ -	\$ -	\$ 635,842
Vehicles	805,718	147,167	-	952,885
Office furniture & equipment	40,540	-	-	40,540
Computer equipment	26,469	-	(12,725)	13,744
Nutrition equipment	9,939	16,975	-	26,914
Leasehold improvements	15,112	-	-	15,112
TOTAL CAPITAL ASSETS	\$ 1,533,620	\$ 164,142	\$ (12,725)	\$ 1,685,037
Investment in capital assets				
Property acquired with funds from -				
FTA	\$ 506,673		\$ -	\$ 506,673
Local funds				
General fund	951,466	-	(12,725)	938,741
Covington - Hadden Hall	1,125	-	-	1,125
Slidell senior center building fund	34,426	16,975	-	51,401
In-kind donations	39,930	147,167	-	187,097
TOTAL INVESTMENT IN CAPITAL ASSETS	\$ 1,533,620	\$ 164,142	\$ (12,725)	\$ 1,685,037

See independent auditors' report.



Certified Public Accountants & Consultants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board of Directors
St. Tammany Council on the Aging, Inc.
Covington, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of St. Tammany Council on the Aging, Inc.(the Council) , as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the Council's basic financial statements, and have issued our report thereon dated December 18, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Council's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. Accordingly, we do not express an opinion on the effectiveness the Council's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Council's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Silva Gurtner & Albney, LLC

Mandeville, Louisiana
December 18, 2013

**ST. TAMMANY COUNCIL ON THE AGING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013**

SECTION I – SUMMARY OF AUDIT RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

Material weaknesses identified? ☐ Yes ☒ No

Significant deficiencies identified that are not considered
to be material weaknesses? ☐ Yes ☒ None reported

Noncompliance material to financial statements notes? ☐ Yes ☒ No

FEDERAL AWARDS

Audit in accordance with Office of Management and Budget (OMB) Circular A-133 was not required as the Council expended less than \$500,000 in federal expenditures for the year ended June 30, 2013.

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2012-1 – Local Government Budget Act Amendments

Criteria – According to the Local Government Budget Act (R.S. 39:1301-1315), the Council is required to adopt a budget amendment if there is a 5% variance in revenues or expenditures or beginning fund balance for both general funds and special revenue funds, regardless of budgetary amounts.

Condition – Budgets were amended during the year, but variances still exceeded 5% in revenues or expenditures in some funds.

Cause – The Council submitted budget amendments to the Governor's Office of Elderly Affairs (GOEA) for approval to amend the budgets, however, the amendments did not amend certain funds to within 5% of total revenues or expenditures.

Effect – Revenue and expenditure variances for the some funds exceeded 5%.

Management's Response and Corrective Action Plan – Management believes it provided appropriate information to the GOEA in order to amend the budgets as necessary and comply with the Local Government Budget Act. Management will continue to provide necessary information to the GOEA and follow up on their requests to amend the budgets as necessary in order to comply with the Local Government Budget Act in the future.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.

ST. TAMMANY COUNCIL ON THE AGING, INC.
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2012-1 – Local Government Budget Act Amendments

Criteria – According to the Local Government Budget Act (R.S. 39:1301-1315), the Council is required to adopt a budget amendment if there is a 5% variance in revenues or expenditures or beginning fund balance for both general funds and special revenue funds, regardless of budgetary amounts.

Condition – Budgets related to the Title III C-1 Fund and Title III C-2 Fund were not amended during the year.

Management's Response and Corrective Action Plan – Not resolved. See finding 2012-1 in the schedule of findings and questioned costs.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted.